

## **Human Resource Management and Performance of Bank Employees in India**

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**Abstract:** *The banking sector of India needs to bring Human Resource Management strategies at par with business strategies. To take up the banking sector to the international level of excellence it requires human capital as its first and foremost followed by technology, product diversification, better credit and risk appraisal, internal and external control.*

**Key words:** *HRM, Performance Appraisal*

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Date of Submission: 05-01-2019

Date of acceptance: 21-01-2019

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### **I. Introduction**

The first and foremost worry of banks is to bring the strategies of HRM in assimilation with the business strategies. This balance should create team work, motivate the employees and improve the efficiency and effectiveness of its human resources. Being a service organization banks need soft skills in order to attend the customer's needs and expectations at the counter. Human resources are the most important of all the other resources. They need to give due importance to human resources so as to sharpen their skills and abilities through proper training and development programs which in turn proved as a valuable resource for the achievement of organizational objectives. To take up the Indian banking industry to the heights of international excellence they need innovative methods of doing business along with new and better technologies, product diversification, credit and risk appraisal system and most important of all their human resources.

### **II. Review of Literature**

Rimijhim Jha, Dr Manoj Kumar Mishra (2015) in their research study find out the challenges of HRM faced by banking sector of India. The study reveals how to take the banking industry to the international level with international standards without losing its cultural identity. In order to improve the efficiency and effectiveness of its human resources regular staff meetings, Brain storming sessions, study circle and quality circles are much needed to sharpen the human capital so that they use technologies in a better way and also diversify its product range with complete internal as well as external control over these resources.

Mangaleswaran T (2015) in his study found that the competent work force is the biggest asset of an organization. Human capital can build competitive advantage over others. Banks being a service organization needs to improve the capabilities of their human capital so that they deliver best to the customers. The Indian public sector banks have strong HRM practices except compensation in comparison to Sri Lankan public sector banks.

Selvamani P Muthukumar B (2017) found that HRM practices used to retain the employees and impart them with necessary skills to achieve the organizational objectives.

Mr. Santosh Shah, Ms, Akansha Tyagi (2017) in their study found that banking sector needs to improve their technological advancement along with the Human Resources. They need to identify the challenges and cope up with the competition to reach out to broader customer base all over the country.

P. Suresh, Dr. T. Narayana Reddy (2007) in their research study found that the human capital is the most important resource which made all the other resources work to achieve the organizational objectives. The findings of their research reveal that all the HRM practices have significant impact on employee satisfaction. Among all the HRM practices compensation is the key variable which influences and satisfies the employees.

Thanuja P, Suja S Nair (2016) in their research study revealed that human resources are the most valued and important asset of an organization. Human resources are responsible to bring both organization and people together and achieve the objectives of both of them. The author in their study found out that public sector banks are doing much better in training and development as compared to private sector banks. Private sector

banks should evolve such practices regarding compensation and other incentives so that they can retain the talent which contribute towards the fulfillment of organizational objectives.

Dr. S Shahul Hameed, J Rajini Kanth, P. Mohanraj in their research study try to find out the effectiveness of training and development among the bank employees and the ways to improve the performance of bank employees. Proper training and development make employees to upgrade their skills and abilities. Regular training programs help remove deficiencies and improve work performance and yield better results.

V Rama Devi and P Lakshmi Naraya Namma (2014) expressed that in order to survive and grow in this competitive business environment service organizations should continuously harness and update the skills, knowledge and abilities of their employees. This study found out that both banking and health care sectors have a good HRD climate as their mean score are in the range of 3.65-3.75 on a scale of 1-5.

### **Challenges Faced by Banking Sector in India**

Financial instrumentation is the main challenge faced by the banks during different phases of business cycle. To improve the working of banks with cost effective measures there is a need to introduce latest technology, skills and intellectual capital. Among all the other resources needed to run the business smoothly human capital is of the utmost importance. During the post independence era banking sector was the preferred employer but over the years this sector has changed dramatically as now the banking structure is such that it gives preference to senior employees over those who are young and perform well. This kind of environment is a hurdle in attracting the best talent available in the market.

### **Measures Taken To Improve Performance**

#### **Brain Storming**

It is the method in which problems are effectively eliminated. The aim of this technique is to develop as many ideas as possible in order to solve the predefined problems.

Alex Faickney Osborn was the person who invented this technique of brain storming and he was himself the first who put this method into practice.

Brainstorming is an instrument which is widely used in organizations through which they generate new ideas to solve the particular problems. In brain storming the participants with diverse backgrounds and deep knowledge in the subject put their heads together to solve problems confronting their organizations. It encourages participants to come up with innovation and creativity. All the ideas of participants are welcomed but only appropriate one is choosed and applied to solve the problems which in turn increases performance of employees as well as organizations.

#### **Staff Meetings**

Staff meetings are used for wide variety of purposes to solve organizational problems. Participation with accountability is the perquisite of a successful staff meeting. It provides an opportunity to meet people face to face and put the suggestions before the participants. Staff meetings provide opportunity to employees to meet and put suggestions and discuss topics related to organizations. The platform of staff meetings should be effectively used for harmonious functioning of the bank branches.

#### **Quality Circles**

It consists of group of employees who met regularly to solve the work related problems confronting banking industry. The aim of quality circle is to bring people together and built trust with greater understanding with corporation, commitment and involvement. It also provides opportunity to the members to use their wisdom and experience to chalk out new ways of doing business.

#### **Study Circles**

Its aim is to develop employees intellect and skills by providing them necessary knowledge, information and training. In study circles experts were invited for guest lecturers. It is formed within an organization and they meet both in administrative and board offices once in month and as per their ease and convenience.

#### **Suggestions**

1. The first and foremost responsibility of the top management is to develop and invest in human capital to make them sharp and more valuable.
2. There is the need to develop soft skills to deal with people politely and honestly at the counters.
3. The structure of banking should be such that it can easily retain and absorb the best available talent.
4. In order to grow and make its presence in the global market best available HR practices should be adopted.
5. Best work practices should be adopted which encourages employees to perform in their full capacity.

6. Human capital should be continuously upgraded to increase their knowledge, skills, insight and work culture.
7. The environment prevalent in the public sector banks gives preference to seniority over performance is the hurdle to attract and retain the best talent among the young.
8. Effective communication is the key to understand emotions and feelings.
9. In order to motivate the employees, incentive structure should be such which encourages employees to perform effectively and efficiently.
10. Information technology is an area where Indian human resources development is critical fortunately. Indian banking professionals need to enter in partnerships and collaborations with world leaders which results into better and strong financial system which helps the Indian economy to grow and prosper.

### **III. Conclusion**

We are living in the globalised environment where the world is transformed into a single largest market for corporations to operate. Banking industry needs to change their HR practices in order to cope up with international HR practices. The vision of Indian banking sector is to transform itself from being a domestic one to the global one. To lead from the front and take up the banking industry to the global level with international standards requires innovation, creativity, new technologies, internal control, and product diversification with HR its first and top priority. To develop and train their Human Resources banking sector needs to continuously impart them necessary and latest skills and knowledge to make them fit to perform both in domestic and global market place.

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Dr. Upasana Tyagi" Human Resource Management and Performance of Bank Employees in India" IOSR Journal of Business and Management (IOSR-JBM), Vol. 21, No. 1, 2019, pp. -34-36